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 Debtors and Debtors in Possession

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8 **UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

9

10 In re:

11 **STATION CASINOS, INC., et al.,**

- 12  Affects this Debtor
- Affects all Debtors
- 13  Affects Northern NV Acquisitions, LLC
- 14  Affects Reno Land Holdings, LLC
- 15  Affects River Central, LLC
- Affects Tropicana Station, LLC
- 16  Affects FCP Holding, Inc.
- Affects FCP Voteco, LLC
- 17  Affects Fertitta Partners LLC
- Affects FCP MezzCo Parent, LLC
- 18  Affects FCP MezzCo Parent Sub, LLC
- 19  Affects FCP MezzCo Borrower VII, LLC
- Affects FCP MezzCo Borrower VI, LLC
- 20  Affects FCP MezzCo Borrower V, LLC
- Affects FCP MezzCo Borrower IV, LLC
- 21  Affects FCP MezzCo Borrower III, LLC
- Affects FCP MezzCo Borrower II, LLC
- 22  Affects FCP MezzCo Borrower I, LLC
- Affects FCP PropCo, LLC
- 23  Affects GV Ranch Station, Inc.

Case No. BK-09-52477

Chapter 11

Jointly Administered Cases BK 09-52470 through  
 BK 09-52487 and BK 10-50381

**DEBTORS' MOTION FOR ORDER  
 UNDER 11 U.S.C. §§ 1127(b) AND 1142**  
**(I) APPROVING PROCEDURES AND  
 DISCLOSURE DOCUMENTS FOR**  
**(A) SOLICITING BINDING  
 PARTICIPATIONS IN PROPCO RIGHTS  
 OFFERING, (B) ESTABLISHING  
 BLOCKERCOS TO HOLD NPH  
 WARRANTS AND NPH INVESTMENT  
 RIGHTS AND (C) DISTRIBUTING NPH  
 WARRANTS, CASHING OUT CERTAIN  
 OTHER NPH WARRANTS, AND MAKING  
*CY PRES* DISTRIBUTION IN LIEU OF  
 CERTAIN OTHER NPH WARRANTS;**  
**(II) MODIFYING PLAN; AND**  
**(III) CONFIRMING MODIFIED PLAN**

25 Hearing Date: January 10, 2010

26 Hearing Time: 10:00 a.m.

27 Place: 300 Booth Street  
 Reno, NV 89509

1           **TO THE HONORABLE GREGG ZIVE, UNITED STATES BANKRUPTCY JUDGE,**  
 2           **THE OFFICE OF THE U.S. TRUSTEE AND ALL PARTIES IN INTEREST:**

3           **I. INTRODUCTION, FACTUAL BACKGROUND AND REQUEST FOR RELIEF**

4           1. On August 27, 2010, the Court entered its Confirmation Order confirming the  
 5 chapter 11 Plan for Station Casinos, Inc. and its affiliated chapter 11 debtors (collectively, the  
 6 “Debtors”) in these chapter 11 cases.<sup>1</sup> The Plan incorporates the terms of the settlement<sup>2</sup>  
 7 between the Debtors and the Official Committee of Unsecured Creditors (the “Official Creditors  
 8 Committee”) pursuant to which (a) Eligible Opcos Unsecured Creditors<sup>3</sup> will receive NPH  
 9 Warrants to purchase up to 2.5% of the total equity interests in Station Holdco LLC (“Holdco”),<sup>4</sup>  
 10 (b) Eligible Opcos Unsecured Creditors that are Accredited Investors and hold a certain minimum  
 11 amount of Allowed Claims may participate in the Propco Rights Offering and purchase up to  
 12 approximately 15% in the aggregate of the total equity interests in Holdco, and (c) Qualified  
 13 Eligible Opcos Unsecured Creditors may participate in any Post-Effective Equity Raise. The  
 14 terms and conditions for the issuance of the NPH Warrants and NPH Investment Rights are

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15           <sup>1</sup> See “Order Confirming ‘First Amended Joint Chapter 11 Plan of Reorganization for Station Casinos,  
 16 Inc. and its Affiliated Debtors (Dated July 28, 2010)’” (docket no. 2039, the “Confirmation Order”), and  
 17 related “Findings of Fact and Conclusions of Law Regarding Confirmation of ‘First Amended Joint  
 18 Chapter 11 Plan of Reorganization for Station Casinos, Inc. and its Affiliated Debtors (Dated July 28,  
 19 2010)’” (docket no. 2038, the “Findings and Conclusions”). The “First Amended Joint Chapter 11 Plan  
 20 of Reorganization for Station Casinos, Inc. and its Affiliated Debtors (Dated July 28, 2010)” can be found  
 at docket no. 1863 (the “Plan”), and the Plan amendments that were approved by the Confirmation Order  
 can be found in the “Debtors’ Motion for Order Under 11 U.S.C. § 1127 Approving Modifications to  
 “First Amended Joint Chapter 11 Plan of Reorganization for Station Casinos, Inc. and its Affiliated  
 Debtors (Dated July 28, 2010)” (docket no. 1997).

21           <sup>2</sup> See “Debtors’ Motion for Order: (1) Approving Stipulation With Official Committee of Unsecured  
 22 Creditors; and (2) Authorizing Payment of Certain Related Fees and Expenses” (docket no. 1921).

23           <sup>3</sup> “Eligible Opcos Unsecured Creditors” are defined in the Plan as all Holders of Allowed Claims  
 24 classified in Classes S.4, S.5 and S.6, except Holders of Class S.4 Claims that also hold Class S.2 Claims  
 25 and vote to accept the Plan on account of such Class S.2 Claims. Because the Plan effectuates the  
 subordination provisions of the Subordinated Notes Indentures, Class S.6 Claims will not receive any  
 distribution under the Plan; rather, all rights in respect of Class S.6 Claims to receive warrants or  
 participate in the Rights Offering will be transferred to holders of Allowed Class S.5 Claims, *pro rata*.

26           <sup>4</sup> Holdco is the entity that is referred to in the Confirmation Order and Findings and Conclusions as New  
 27 Propco Holdco or Holdco, and it will own all of the non-voting equity interests in Station Casinos, LLC.  
 Station Casinos LLC is the entity that is referred to in the Confirmation Order and the Findings and  
 Conclusions as New Propco. Pursuant to the confirmed Plan and the Confirmation Order, on the  
 Effective Date, all of the New Opcos Acquired Assets and New Propco Acquired Assets will be  
 transferred to New Propco and its subsidiaries.

1 contained in the NPH Term Sheet that was attached as Schedule 6 to the Plan; and a copy of such  
 2 NPH Term Sheet is attached hereto as Exhibit 2. Unless otherwise indicated, capitalized terms  
 3 are used herein as used and defined in the Plan and/or the NPH Term Sheet, as the context may  
 4 require.

5       2. In connection with the hearing to confirm the Plan, the Debtors explained that the  
 6 actual documentation of, as well as the practical and legal mechanisms for soliciting binding  
 7 commitments to participate in the Propco Rights Offering and for allocating and distributing the  
 8 NPH Warrants and NPH Investment Rights, would not be determined and resolved until after the  
 9 Confirmation Hearing. The Debtors, the Official Creditors Committee and the Put Parties<sup>5</sup> have  
 10 reached agreement on such Plan implementation mechanisms (including the documents attached  
 11 hereto and summarized herein), and, by this motion (the “Motion”) the Debtors seek approval  
 12 thereof, under the authority of Bankruptcy Code Section 1142, so that the Debtors may  
 13 commence solicitation of binding participation and funding commitments in respect of the  
 14 Propco Rights Offering from Eligible Opco Unsecured Creditors that are Accredited Investors.

15       3. By this Motion, the Debtors also seek entry of an order authorizing certain  
 16 modifications to the Plan under the authority of Bankruptcy Code Section 1127(b), and  
 17 confirming the Plan as modified under Bankruptcy Code Section 1129, so that the Debtors may:  
 18 (a) distribute cash, rather than NPH Warrants, to Eligible Opco Unsecured Creditors that hold the  
 19 smallest Allowed Claims, for purposes of administrative convenience and very substantial cost  
 20 savings, all as described below; and (b) make a charitable donation to the Boys and Girls Clubs  
 21 of Las Vegas, under the doctrine of *cy pres*, in lieu of distributing \$2,850 in NPH Warrants or

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22  
 23       <sup>5</sup> The Put Parties are Fidelity Puritan Trust; Fidelity Puritan Fund; Fidelity Advisor Series I: Fidelity  
 24 Advisor High Income Advantage Fund; Fidelity School Street Trust: Fidelity Strategic Income Fund;  
 25 Fidelity School Street Trust: Fidelity Capital & Income Fund; Fidelity Advisor Series II: Fidelity Advisor  
 26 Strategic Income Fund; OCM Principal Opportunities Fund IV Delaware, L.P.; OCM Opportunities Fund  
 27 VIIb Delaware, L.P.; Serengeti Station Holdco Ltd.; and Serengeti Partners LP. Pursuant to the NPH  
 28 Term Sheet and the Put Parties Support Agreement, the Put Parties have agreed that Holdco can put  
 equity securities to the Put Parties through the relevant Blockercos in order to raise the agreed amount of  
 funds, and they will receive a put premium and other rights in consideration therefor. The Put Parties  
 Support Agreement is attached as Exhibit 3 to the Debtors’ Motion for Order: (1) Approving Stipulation  
 With Official Committee of Unsecured Creditors; and (2) Authorizing Payment of Certain Related Fees  
 and Expenses (docket no. 1921).

1 cash, in the aggregate, to the 22,400 members of the Lukevich Plaintiffs Class, because, as  
2 discussed below, the cost of making the individual distributions (of approximately 12¢ per  
3 individual) would exceed \$60,000. Attached hereto as Exhibit 1 is a proposed order granting the  
4 relief requested in this Motion.

#### **A. Overview of the Propco Rights Offering**

6       4. In connection with voting on the Plan, creditors holding Class S.4 and Class S.5  
7 Claims were afforded an opportunity to indicate whether they were interested in receiving  
8 information regarding the Propco Rights Offering. The Debtors have prepared a “Description of  
9 the Rights Offering” (the “Rights Offering Disclosure Memorandum”) that, subject to Court  
10 approval, they will send to each Eligible Opco Unsecured Creditor in Classes S.4 and S.5 that  
11 indicated an interest in receiving information regarding the Propco Rights Offering and held  
12 Allowed Claims on the Rights Offering Record Date, established as July 15, 2010, in at least an  
13 amount sufficient such that its pro rata share of all eligible claims entitles it to purchase at least  
14 \$250,000 of Offered Units in the Propco Rights Offering (the “Offerees”).<sup>6</sup> A copy of the  
15 proposed Rights Offering Disclosure Memorandum is attached hereto as Exhibit 3. The Rights  
16 Offering Disclosure Memorandum provides: (a) an overview of the Plan and the Propco Rights  
17 Offering; (b) a discussion of certain tax considerations; (c) a discussion of the risks associated  
18 with investing in (i) the Offered Units (discussed below), (ii) the business to be owned by  
19 Holdco, and (iii) the gaming industry generally; (d) a summary description of certain of the terms  
20 of the LLC Agreement of Principal Blockerco I (as hereinafter defined), which all Offerees that  
21 purchase Offered Units in the Propco Rights Offering will be required to execute; and (e) a  
22 summary description of certain of the terms of the Equityholders Agreement, which all Offerees  
23 that purchase Offered Units in the Propco Rights Offering will be required to execute.

24        5. Along with the Rights Offering Disclosure Memorandum, the Debtors will  
25 distribute a Subscription Agreement pursuant to which Offerees will be invited to irrevocably  
26 subscribe for and purchase the Offered Units. A proposed form of the Subscription Agreement is

<sup>6</sup> The term Offerees does not include the Put Parties, who were closely involved in the negotiation of the terms of the NPH Term Sheet. Rather, the Rights Offering Disclosure Memorandum was drafted for the benefit of the Eligible Opco Unsecured Creditors that are not also Put Parties.

1 attached hereto as Exhibit 4. The Debtors seek to accomplish the distribution and execution of  
2 the Subscription Agreements and related documentation as soon as possible, so that the equity  
3 offered under the Propco Rights Offering can be distributed substantially at the same time as the  
4 Effective Date of the Plan, and, therefore, hereby seek Court approval of the Rights Offering  
5 Disclosure Memorandum.

6         6.         The principal terms and conditions of the Propco Rights Offering are contained in  
7 the (i) Rights Offering Disclosure Memorandum, Exhibit 3 hereto, (ii) Subscription Agreement,  
8 Exhibit 4 hereto, and (iii) NPH Term Sheet, Exhibit 2 hereto. Offerees are urged to review these  
9 materials carefully. An overview of the NPH Term Sheet is provided in the Rights Offering  
10 Disclosure Memorandum, and a summary, for the purposes of this Motion, is provided as  
11 follows:

12             a.         Pursuant to the Plan and the NPH Term Sheet, Holdco will grant to certain  
13 Blockercos the right to purchase up to approximately 15% in the aggregate of the total  
14 equity in Holdco for an aggregate purchase price of \$35.3 million, which amount can be  
15 increased to \$100 million upon the occurrence of certain events described in the NPH  
16 Term Sheet. The total offering amount will vary depending on several factors including,  
17 without limitation, the amount of cash on hand at the Opcos Group Sellers on the Effective  
18 Date, and the estimated general working capital needs of New Propco following the  
19 Effective Date. The Blockercos will, in turn, provide the Offerees and the Put Parties  
20 with the right to purchase the Offered Units issued by the Blockercos. The Offered Units  
21 issued by the Blockercos will give the Offerees and the Put Parties substantially similar  
22 economic rights to those they would have had if the equity interests in Holdco had been  
23 issued directly to them. The Blockerco intermediary companies are being established in  
24 accordance with the NPH Term Sheet to minimize the risk of adverse tax consequences  
25 which might otherwise be occasioned by the issuance of the Holdco equity directly to the  
26 Offerees. All Offerees will receive their Offered Units from one Blockerco (“Principal  
27 Blockerco I”). It is anticipated that one or more separate Blockercos will be established  
28

1 for each Put Party; although the Put Parties may elect to share Blockercos among  
2 themselves.

3 b. Pursuant to the NPH Term Sheet and the Plan, the Rights Offering Record  
4 Date was established as July 15, 2010. In order to qualify as an Offeree, an Eligible  
5 Opco Unsecured Creditor that is an Accredited Investor must have held Allowed Claims  
6 on July 15, 2010 in at least an amount sufficient such that its pro rata share of all eligible  
7 claims entitles it to purchase at least \$250,000 of Offered Units in the Propco Rights  
8 Offering. Assuming that the Rights Offering is in an aggregate amount equal to  
9 \$100 million, the Debtors estimate that, in order to have an Allowed Class S.4 or Class  
10 S.5 Claim eligible to purchase \$250,000 of Offered Units, the Allowed Class S.4 or Class  
11 S.5 Claim amount must be at least \$5,844,000.

12 c. The Propco Rights Offering Subscription Period will extend for a period  
13 of at least twenty days, subject to extension as described in the Rights Offering  
14 Disclosure Memorandum. It is presently anticipated that the Propco Rights Offering  
15 Subscription Period will commence soon after entry of an order approving this Motion,  
16 however, such commencement date may be deferred in the event that the Debtors  
17 determine a delay is appropriate or desirable in light of developments in these cases or  
18 other matters relating to the implementation thereof. Holdco or the applicable Blockerco  
19 will give notice of the date that the subscription purchase price for the Offered Units must  
20 be received from the Offerees by the designated escrow agent. On the Effective Date, the  
21 escrow agent will transmit the funds to the applicable Blockercos and the applicable  
22 Blockercos will purchase equity in Holdco and hold such equity for the benefit of the  
23 Offerees and Put Parties that purchased Offered Units in the applicable Blockerco.

24 d. Qualified Eligible Opco Unsecured Creditors may also participate in  
25 certain Equity Raises and Post-Effective Equity Raises. The applicable procedures are  
26 described in the NPH Term Sheet and summarized in the Rights Offering Disclosure  
27 Memorandum.

28

1                   e.        Each Offeree that purchases equity interests in the Propco Rights Offering  
 2 will be required to execute the LLC Agreement of Principal Blockerco I.

3                   f.        Each Offeree and Put Party that purchases equity interests in the Propco  
 4 Rights Offering will be required to execute the Equityholders Agreement to be entered  
 5 into among the holders of equity interests in Holdco. The Equityholders Agreement,  
 6 among other things, contains agreements among the parties thereto with respect to certain  
 7 restrictions on the transfer of equity interests, including certain rights of first refusal, tag-  
 8 along rights, drag-along rights and preemptive rights (the terms of which are described in  
 9 the Rights Offering Disclosure Memorandum). The Equityholders Agreement also  
 10 contains provisions governing special approval requirements for certain actions, and  
 11 provisions governing the establishment of the Blockerco entities. A copy of the present  
 12 form of the draft Equityholders Agreement is attached hereto as Exhibit 5 (and it remains  
 13 subject to additional revisions).

14                  g.       The Put Parties have reserved the right to cause their respective  
 15 Blockercos to issue debt securities in addition to equity units so long as the same amount  
 16 of net proceeds as would have been realized as a result of the sale of equity units alone by  
 17 such Put Party Blockerco is ultimately realized by such Put Party Blockerco upon  
 18 issuance of both debt securities and equity units to its Put Party. Accordingly, all  
 19 references to Offered Units in respect of the Put Parties in this Motion mean equity units  
 20 and/or debt securities issued by any such Put Party Blockerco to a Put Party.

21                  7.       The Debtors have negotiated and agreed upon these documents and mechanisms  
 22 with the Official Creditors Committee and the Put Parties. With the input of these parties, the  
 23 Debtors believe that the proposed documents and procedures represent an appropriate means for  
 24 implementing the Propco Rights Offering as contemplated by the Plan.

25                  B.       **The NPH Warrants and the Requested Plan Modifications**

26                  8.       The Plan and the NPH Term Sheet generally provide that Holdco will issue the  
 27 NPH Warrants to the Blockercos, which will, in turn, issue warrants to all Eligible Opco

1 Unsecured Creditors, including the Put Parties.<sup>7</sup> The NPH Warrants provide for the right of the  
2 Eligible Opco Unsecured Creditors to acquire up to 2.5% of the equity in Holdco. The warrants  
3 issued by the Blockercos to the Eligible Opco Unsecured Creditors will give such creditors  
4 substantially similar economic rights to those they would have had if the warrants issued by  
5 Holdco had been issued directly to the creditors. A separate single Blockerco will be established  
6 to hold the NPH Warrants for all Eligible Opco Unsecured Creditors other than the Put Parties  
7 (“Principal Blockerco II”). The Blockercos established to hold the equity in Holdco for the Put  
8 Parties that participate in the Propco Rights Offering will also hold for the Put Parties the NPH  
9 Warrants issued by Holdco (however, the Put Parties may elect not to have their Blockercos  
10 issue warrants to them).

**(i) Proposed Plan Modification to Cash-Out Certain NPH Warrants**

12        9. In the Confirmation Order, and based upon the evidence submitted by the  
13 Debtors' financial advisor Lazard Frères & Co. LLC, the Court determined that the value of the  
14 NPH Warrants, in the aggregate, is between \$0.4 million and \$2.3 million.

15        10. The Debtors estimate that there are 22,400 Class S.4 Creditors holding  
16 approximately \$38 million in Class S.4 Claims (22,400 of which creditors consist of the  
17 Lukevich Plaintiffs Class<sup>8</sup>), 700 Class S.5 Creditors holding \$850 million in Class S.5 Claims,  
18 and 1,100 Class S. 6 Creditors holding \$1.45 billion in Class S.6 Claims. After giving effect to  
19 the subordination provisions of the Subordinated Notes Indentures for the Class S.6 Claims, the  
20 Debtors estimate that Principal Blockerco II will be obligated to distribute the NPH Warrants to

22   <sup>7</sup> With respect to the Put Party Blockercos, it is expected that the debt or other claims of each Put Party  
23 will be contributed by such Put Party to the appropriate Put Party Blockerco in exchange for equity  
24 interests, rights and warrants in such Put Party Blockerco, and such Put Party Blockerco will be granted  
NPH Warrants, NPH Investment Rights and NPH Post-Effective Investment Rights issued by Holdco in  
satisfaction of the contributed debt or other claims.

<sup>8</sup> See *Lukevich, et al. v. Station Casinos, Inc., et al.*, adversary case no. 10-05044-gwz, and “Settlement Agreement attached as Exhibit 1 to the “Joint Motion of Plaintiffs and Defendants for: (1) Preliminary Approval of Class Action Settlement; (2) Approval o Class Notice; (3) Conditional Certification of Class, Settlement Class, Direct Payment Subclass and Allowed Claim Subclass; and (4) Related Relief,” entered on June 18, 2010 (docket no. 4 in adversary docket); *see also* “Order: (1)Granting Final Approval Of Class Action Settlement; and (2) Authorizing Entry Of Final Judgment Of Dismissal With Prejudice As To All Defendants,” entered on October 26, 2010 (docket no. 18).

1 approximately 23,300 Class S.4 and Class S.5 creditors. Even excluding the Lukevich Plaintiffs  
2 Class, Principal Blockerco II will be required to issue warrants to at least 900 Eligible Opc  
3 Unsecured Creditors.

4       11. The number of creditors currently entitled to receive warrants from Principal  
5 Blockerco II is problematic from the perspective of maximizing the recovery to creditors, for  
6 several reasons. First, with over 900 (let alone 23,300) eligible warrant holders and owners,  
7 Principal Blockerco II would be required to be a public reporting company under the federal  
8 securities laws (including, without limitation, the Securities Exchange Act of 1934, as amended),  
9 meaning it would be required to produce audited financials, and issue periodic, quarterly, annual  
10 and other reports consistent with the requirements of the securities laws and applicable Securities  
11 and Exchange Commission regulations. Second, it would be required to hire a warrant agent to  
12 administer the warrant holdings program for such a large number of warrant holders. But  
13 Principal Blockerco II has no source of revenues other than distributions it receives from Holdco,  
14 and restrictive covenants in the credit facilities of Holdco's subsidiaries are expected to limit the  
15 payment of dividends to Holdco to facilitate such distributions. Nevertheless, the Debtors  
16 estimate that the costs associated with engaging professionals to prepare audited financials, 10-  
17 Ks, 10-Qs and 8-Ks, plus the cost of a warrant agent, is expected to exceed \$300,000 per year.

18       12. The Debtors believe that they can altogether avoid the costs associated with  
19 Principal Blockerco II being a public reporting company, and eliminate the need for a warrant  
20 agent, if they can cash out approximately 30% of the total amount of Claims held by Eligible  
21 Opc Unsecured Creditors and thereby reduce significantly the number of warrant holders in and  
22 owners of Blockerco II. To achieve that goal, the Debtors propose to pay cash, rather than have  
23 Principal Blockerco II issue warrants, on account of all Allowed Claims of Eligible Opc  
24 Unsecured Creditors that are less than \$5 million in amount. The Debtors estimate that doing so  
25 would reduce the number of warrant holders to approximately 50, which class of warrants the  
26 Debtors believe can then be administered without the need for a warrant agent, and without  
27 causing Principal Blockerco II to incur the significant expense of being a public reporting

28

company. The Official Creditors Committee shares these concerns and has indicated it will not object to the Debtors' proposal.

13. The Debtors' proposal contemplates cashing out approximately \$700 million of the smallest Eligible Opcos Unsecured Creditors Claims, leaving approximately another \$1.64 billion of the largest claims that would still receive only warrants, not cash (30% of the total amount of claims held by Eligible Opcos Unsecured Creditors would be cashed out; and 70% would receive NPH Warrants). The Debtors' propose to base the cash-out price on the midpoint of value for the NPH Warrants as determined in the Confirmation Order. That range of value was \$0.4 million to \$2.3 million; and the midpoint is \$1.35 million. Thirty percent of \$1.35 million is \$405,000. Therefore, the Debtors propose to pay out approximately \$405,000 in the aggregate to Eligible Opcos Unsecured Creditors holding Allowed Claims that are less than \$5 million.<sup>9</sup>

14. As a result of cashing out 30% of the total amount of Claims held by creditors in Class S.4 and S.5, the remaining 70% of Class S.4 and S.5 Claims will receive NPH Warrants exercisable to purchase 1.775% of the equity in Holdco (calculated as 70% of 2.5%). This does not change in any way the amount of equity originally contemplated to be received by such 70% of the total of Class S.4 and S.5 Claims, because, even if no cash out was proposed, the referenced 70% of Class S.4 and S.5 Claims would have received NPH Warrants exercisable to purchase 1.775% of the equity in Holdco.

**(ii) Proposed Plan Modification Regarding the Lukevich Plaintiffs Class**

15. In addition to seeking authority to cash out those Eligible Opco Unsecured Creditors whose Allowed Claims are less than \$5 million, the Debtors seek authority to make the expected \$2,850 aggregate cash-out payment to the Lukevich Payment Class to a charity in the Las Vegas area that serves the needs of the members of such class – the Boys and Girls Clubs of

<sup>9</sup> The Debtors calculate the amount to be distributed as follows. There are expected to be approximately \$2,337,887,000 in Allowed Eligible Opco Unsecured Claims. Approximately 50 Eligible Opco Unsecured Creditors hold \$1.64 billion of such claims (approximately 70% of the total). These 50 creditors would receive NPH Warrants. The remaining Eligible Opco Unsecured Creditors, all holding Allowed Claims less than \$5 million, hold an aggregate of \$700 million of such claims (approximately 30% of the total amount of the Claims of Eligible Opco Unsecured Creditors). They will be cashed out, based upon their pro rata share of \$405,000 (30% of \$1.35 million).

1 Las Vegas – under the doctrine of *cy pres*. The Debtors have investigated the cost of making the  
 2 distribution of either cash or warrants of a value of approximately 12¢ to each of 22,400 present  
 3 and former employees. The Settlement Administrator for the Lukevich Plaintiffs Class  
 4 Settlement has estimated that the cost of issuing checks and mailing them would be, in the  
 5 aggregate, in excess of \$60,000 – all for the purpose of distributing \$2,850. The annual cost of  
 6 using a third party warrant agent to administer a warrant program for 22,400 holders also would  
 7 be many multiples of the aggregate value of the warrants; for warrants that by their own terms  
 8 are not exercisable for several years. In either event, whether distributing warrants or cashing  
 9 them out, it is entirely impractical to make any payment other than a lump sum payment to a  
 10 charity that would provides benefits to the Debtors' employees, like the Boys and Girls Clubs of  
 11 Las Vegas. Accordingly, the Debtors seek an exemption from distributing warrants or cash to  
 12 the individual members of the Lukevich Plaintiffs Class, and seek authority to make a lump sum  
 13 \$5,000 charitable contribution to the Boys and Girls Clubs of Las Vegas in lieu thereof.

14 **II. THE COURT SHOULD APPROVE THE PROPCO RIGHTS**  
 15 **OFFERING SOLICITATION MATERIALS AND AUTHORIZE THE**  
 16 **DEBTORS TO COMMENCE SOLICITATION OF BINDING COMMITMENTS**

17 16. The Debtors served this Motion on all Eligible Opcos Unsecured Creditors. The  
 18 Rights Offering Disclosure Memorandum and the Subscription Agreement (collectively, the  
 19 "Rights Offering Solicitation Materials") have been reviewed by counsel for the Debtors, the  
 20 Official Creditors Committee, Fertitta Entertainment LLC (a Delaware limited liability company,  
 21 formerly known as Fertitta Gaming LLC) and the Mortgage Lenders (the principal shareholders  
 22 in Holdco), and the Put Parties. All other parties in interest will have had an opportunity to  
 23 review and comment on the Right Offering Solicitation Materials before the hearing on the  
 24 Motion.

25 17. The Debtors believe that the Rights Offering Solicitation Materials are consistent  
 26 with the requirements of the Plan, NPH Term Sheet and Put Parties Support Agreement. The  
 27 Court should authorize the Debtors to begin solicitation of binding commitments from Offerees  
 28 because the process will take several weeks, at least, not including additional time that may be

1 required to confirm the accuracy of Offeree representations regarding certain tax-related matters,  
 2 among other things. As the amount of equity securities that will be put to the Put Parties will  
 3 depend on the level of interest of the Offerees, the Put Parties are also entitled to a reasonable  
 4 amount of time, consistent with the requirements of the NPH Term Sheet and Put Parties Support  
 5 Agreement, to raise the funds required of them. And all of the foregoing must occur prior to the  
 6 Effective Date. The Debtors request, therefore, that the Court enter an order, substantially in the  
 7 form attached hereto as Exhibit 1, approving the Rights Offering Solicitation Materials and  
 8 authorizing the Debtors to commence solicitation of binding commitments.

9       18. Bankruptcy Code Section 1142 authorizes the Court to enter orders in aid of  
 10 implementation of the Plan and that are necessary for the consummation of the Plan. *See In re*  
 11 *Jorgensen*, 66 B.R. 104, 108 (Bankr. 9th Cir. 1986) (under Section 1142, bankruptcy court may  
 12 make necessary orders to carry out provisions of plan).<sup>10</sup> Here, the Confirmation Order  
 13 contemplated post-confirmation preparation of the documentation for issuance of the NPH  
 14 Warrants and for the solicitation of commitments to the Propco Rights Offering. Thus, it is  
 15 appropriate that such documentation be presented to the Court for approval, upon Motion and a  
 16 hearing.

17       **III. THE COURT SHOULD APPROVE THE PLAN MODIFICATIONS  
 18 REGARDING: (A) CASH-OUT OF CERTAIN NPH WARRANTS  
 19 CONSISTENT WITH THE VALUATION OF SUCH WARRANTS IN  
 20 THE CONFIRMATION ORDER; AND (B) CY PRES TREATMENT OF  
 21 THE CASH-OUT OF THE LUKEVICH PLAINTIFFS CLASS CLAIMS**

22       19. Section 1127(b) of the Bankruptcy Code authorizes the Debtors to modify the  
 23 Plan after confirmation and before substantial consummation, as long as the Plan as modified  
 24 meets the requirements of Bankruptcy Code Sections 1122 and 1123, and the Debtors comply  
 25 with any requirements under Bankruptcy Code Section 1125. The cash-out proposal contained  
 26 in this Motion is consistent with the requirements of Section 1122, because the cash-out of

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27       10      *See also In re Century Inv. Fund VIII Ltd. Partnership*, 114 B.R. 1003, 1008-09 (Bankr. E.D. Wis.  
 28           1990) (under Section 1142, court may enter orders to carry out intent of confirmed plan); *In re Baker*, 118  
 B.R. 24,27 (Bankr. S.D.N.Y. 1990) (same); *In re A.H. Robins Co., Inc.*, 182 B.R. 128, 133 (Bankr. E.D.  
 Va. 1995) (same).

1 certain creditors for equal value does not change the classification of claims contained in the  
 2 Plan. However, even if the cash-out were deemed the equivalent of separate classification,  
 3 creditors holding substantially similar claims may be separately classified as long as they receive  
 4 substantially similar treatment, and the purpose of the separate classification is not the creation  
 5 of an accepting impaired class.<sup>11</sup> Moreover, Section 1122(b) expressly authorizes chapter 11  
 6 plans to designate a class of general unsecured creditors below a certain dollar amount for  
 7 separate treatment, if doing so is reasonable and necessary for administrative convenience. That  
 8 is exactly what the cash-out proposal accomplishes. All Eligible Opco General Unsecured  
 9 Creditors with Allowed Claims below \$5 million will receive cash instead of warrants. The  
 10 cash-out is necessary to avoid the costs associated with public company treatment of Principal  
 11 Blockerco II and the cost of administering such a large class of warrant holders, and such  
 12 administrative convenience justification is entirely appropriate in light of the fact that the  
 13 warrants issued to such holders may never achieve any value at all due to the strike price and  
 14 exercise restrictions contained in the NPH Warrants.

15       20. The cash-out proposal is also consistent with Section 1123 because all Eligible  
 16 Opco Unsecured Creditors will receive substantially equivalent treatment, based upon the  
 17 valuation of the NPH Warrants performed by the Debtors financial advisor in connection with  
 18 the Confirmation Hearing. Thus, holders of both small and large claims will receive  
 19 substantially equivalent treatment.

20       A. **The Cash-Out Proposal Does Not Require Resolicitation of the Plan**

21       21. Bankruptcy Code Section 1127 expressly authorizes the Debtors to modify the  
 22 Plan after confirmation and prior to the Effective Date, and, if the modifications do not affect the  
 23 rights of any objecting parties, the modifications can be approved without new disclosure and  
 24 resolicitation of votes. *See In re Rhead*, 179 B.R. 169, 176 (Bankr. D. Ariz. 1995) (modified  
 25 plan did not impact upon or affect the rights of any of the objectors; as such, the plan can be

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<sup>11</sup> *See In re Montclair Retail Ctr., L.P.*, 177 B.R. 663, 665 (B.A.P. 9th Cir. 1995). There must be a  
 28 reasonable, nondiscriminatory business or economic reason for the separate classification. *In re Johnston*,  
 21 F.3d 323, 328 (9th Cir. 1994); *In re Tucson Self-Storage, Inc.*, 166 B.R. 892, 898 (9th Cir. BAP 1994)  
 (same).

1 modified without new disclosure and resolicitation of votes); *In re G-1 Holdings Inc.*, 420 B.R.  
 2 216, 256 (D. N.J. 2009) (“The best test is whether the modification so affects any creditor or  
 3 interest holder who accepted the plan that such entity, if it knew of the modification, would be  
 4 likely to reconsider its acceptance,” quoting *Collier on Bankruptcy*).

5       22. Other than the right of certain unsecured creditors that are Accredited Investors to  
 6 participate in the Propco Rights Offering, the distribution of the NPH Warrants is the only  
 7 distribution to general unsecured creditors in the Debtors’ Chapter 11 Cases. Based upon the  
 8 valuation of the NPH Warrants at \$0.4 million to \$2.3 million, such distribution will be no more  
 9 than one-tenth of one-percent on approximately \$2.34 billion of Allowed Claims of Eligible  
 10 Opco Unsecured Creditors. Under the Plan, an Allowed General Unsecured Claim of \$1 million  
 11 would receive warrants worth approximately \$571; an allowed general unsecured claim just  
 12 under \$5 million would receive warrants worth \$2,850. The Debtors propose to cash out these  
 13 claims in full.

14       23. The Debtors believe that the cash-out plan modification is an enhancement of the  
 15 treatment of general unsecured claims and should be authorized without the need for  
 16 resolicitation. Given the administrative costs associated with trading the NPH Warrants, their  
 17 extremely small current value, and the exercise price and related limitations, it may be several  
 18 years before many creditors could convert their warrants into cash other than through this cash-  
out proposal. Therefore, the treatment of creditors is enhanced, rather than prejudiced by the  
 19 cash-out proposal, and resolicitation is not required.<sup>12</sup>

21       24. The Debtors carefully calculated an appropriate claim amount threshold to  
 22 implement the cash-out, after discussion with the Official Creditors Committee. A \$5 million  
 23 threshold for issuance of the NPH Warrants (with all Eligible Unsecured Creditors holding  
 24 Allowed Claims under \$5 million receiving a cash equivalent of the warrant), allows the Debtors  
 25 to shrink the number of holders of NPH Warrants down to a number that can be administered  
 26 without engaging a warrant agent or Blockerco II being treated as a public company, while at the

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27       <sup>12</sup> See *In re FCX, Inc.*, 853 F.2d 1149 (4<sup>th</sup> Cir. 1988) (authorizing plan modification 8 months after  
 28 confirmation of plan without need for resolicitation because modified term of plan satisfied requirements  
 of 1129(b) and plan modification provided creditor with value equal to value under pre-modified plan).

1 same time ensuring that at least 70% of the Allowed Claims held by Eligible Opcos Unsecured  
 2 Creditors receive the NPH Warrants as the Plan originally proposed. Accordingly, the Debtors  
 3 request that the Court enter the proposed order attached hereto as Exhibit 1, which authorizes the  
 4 cash-out Plan modification proposed by this Motion.

5           **B. Cy Pres Treatment of the Lukevich Plaintiffs Class is Proper**

6       25. At the time the Debtors and the Lukevich Plaintiffs entered into their Settlement  
 7 Agreement on or about June 18, 2010, the Plan did not provide for any distribution to general  
 8 unsecured creditors, the Official Creditors Committee was actively opposing confirmation of the  
 9 Plan, and there was no reasonable expectation that Holdco would be issuing warrants to general  
 10 unsecured creditors of the Debtors. After the Plan was confirmed, counsel for the Debtors and  
 11 the Lukevich Plaintiffs Class jointly determined that a distribution of warrants worth \$2,850 in  
 12 the aggregate to 22,400 Class members was impractical, that the distribution of a cash-out of the  
 13 warrants was just as impractical, and that the cost of modifying the Settlement Agreement, given  
 14 the unique notice requirements associated with class action litigation, outweighed any additional  
 15 \$2,850 benefit to the class members.

16       26. The Debtors have already transferred the \$1.2 million settlement payment to the  
 17 Settlement Administrator (plus an additional \$97,000 to fund payroll tax obligations) and funds  
 18 have been distributed to the settlement class members. If the cash value of the NPH Warrants is  
 19 distributed to the Lukevich Plaintiffs Class, the Settlement Administrator estimates it would cost  
 20 at least \$60,000 (in postage and the cost of issuing 22,400 checks in the amount of 12¢ each) to  
 21 distribute any additional \$2,850 if NPH Warrants that the Lukevich plaintiff class. It is also very  
 22 likely that many of the 12¢ checks would not be cashed by, or deposited into the bank accounts  
 23 of, settlement class members. Similarly, the annual cost of hiring a warrant agent to administer a  
 24 warrant program for the 22,400 members of the Lukevich Plaintiffs Class is several multiples of  
 25 the actual value of the warrants. Therefore, it is impractical to either distribute the warrants or  
 26 the aggregate \$2,850 of cash to individual members of the Lukevich Plaintiffs Class.

27       27. The Debtors obviously are not seeking a \$2,850 windfall; only a practical  
 28 solution. Accordingly, they propose to make the distribution indirectly, to a charity that provides

1 services to numerous of the families of the Debtors' employees – the Boys and Girls Clubs of  
 2 Las Vegas – in the amount of \$5,000, which is substantially in excess of what the members of  
 3 the Class would receive in either paper or cash under the Settlement Agreement and the Plan.

4       28.     Federal courts are authorized to utilize the *cy pres* or “fluid recovery” doctrine to  
 5 distribute funds from class action settlements where the administrative difficulties associated  
 6 with small per individual damages make individual distributions impractical, as long as the *cy*  
 7 *pres* award adequately targets the plaintiff class. *See Six Mexican Workers v. Arizona Citrus*  
 8 *Growers*, 904 F.2d 1301, 1305 (9<sup>th</sup> Cir. 1990); see also, *Masters v. Wilhelmina Model Agency*,  
 9 Inc., 473 F.3d 423, 436 (2d. Cir 2007); *In re Pharm. Indus. Average Wholesale Price Litig.*, 588  
 10 F.3d 24, 33-34 (1<sup>st</sup> Cir. 2009). In those circumstances, courts may award a portion of the  
 11 settlement amount to a charity that will benefit the plaintiff class. *See e.g., In re Compact Disc*  
 12 *Minimum Advertised Price Antitrust Litigation*, 2005 WL 1923446 (D. Me. Aug 9, 2005) (*cy*  
 13 *pres* award to community school for the arts); *In re Infant Formula Multidistrict Litigation*, 2005  
 14 WL 2211312 (N.D. Fla. Sept. 8, 2005) (*cy pres* award to American Red Cross); *Ohio Public*  
 15 *Interest Campaign v. Fisher Foods*, 546 F. Supp. 1 (N.D. Ohio 1982) (*cy pres* award to local  
 16 food banks).

17       29.     Here, the amount of the proposed distribution to individual employees,  
 18 approximately 12¢ each, is extremely small relative to the cost of making the distribution (total  
 19 distribution of \$2,850, total cost of distribution over \$60,000). Thus, a *cy pres* award to a charity  
 20 that will provide services to the plaintiff class is not only appropriate, it is the only practical  
 21 solution. The overwhelming majority of the Debtors' employees reside in metropolitan Las  
 22 Vegas. Hence, an organization that provides non-sectarian services to low and moderate income  
 23 Las Vegas families is an appropriate recipient of such *cy pres* award as it carries out the intent of  
 24 the Settlement Agreement to provide a benefit to the settlement class. The Debtors believe that  
 25 the Boys and Girls Clubs of Las Vegas is one such entity.

26       30.     For the foregoing reasons, the Debtors respectfully request that the Court enter the  
 27 proposed order attached hereto as Exhibit 1, which provides for the *cy pres* award on the  
 28 Effective Date of the Plan.

## **IV. CONCLUSION**

31. Based on the foregoing, the Debtors respectfully request that the Court enter an order, substantially in the form of Exhibit 1 attached hereto, granting the relief requested in this Motion.

Respectfully submitted,

Dated December 13, 2010

By: /s/ Fred Neufeld

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## Local Reorganization Counsel for Debtors

## **Exhibit 1**

**Exhibit 1**

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6  
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12 Local Reorganization Counsel for  
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13 **UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

14 In re:

15 **STATION CASINOS, INC., et al.,**

- 16  
17      Affects this Debtor  
       Affects all Debtors  
18      Affects Northern NV Acquisitions, LLC  
       Affects Reno Land Holdings, LLC  
19      Affects River Central, LLC  
       Affects Tropicana Station, LLC  
20      Affects FCP Holding, Inc.  
       Affects FCP Voteco, LLC  
21      Affects Fertitta Partners LLC  
       Affects FCP MezzCo Parent, LLC  
22      Affects FCP MezzCo Parent Sub, LLC  
       Affects FCP MezzCo Borrower VII, LLC  
23      Affects FCP MezzCo Borrower VI, LLC  
       Affects FCP MezzCo Borrower V, LLC  
24      Affects FCP MezzCo Borrower IV, LLC  
       Affects FCP MezzCo Borrower III, LLC  
25      Affects FCP MezzCo Borrower II, LLC  
       Affects FCP MezzCo Borrower I, LLC  
26      Affects FCP PropCo, LLC  
       Affects GV Ranch Station, Inc.

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28 Case No. BK-09-52477  
Chapter 11  
Jointly Administered Cases BK 09-52470 through  
BK 09-52487 and BK 10-50381

**ORDER UNDER 11 U.S.C. §§ 1127(b) AND  
1142 (I) APPROVING PROCEDURES AND  
DISCLOSURE DOCUMENTS FOR  
(A) SOLICITING BINDING  
PARTICIPATIONS IN PROPCO RIGHTS  
OFFERING, (B) ESTABLISHING  
BLOCKERCOS TO HOLD NPH  
WARRANTS AND NPH INVESTMENT  
RIGHTS, AND (C) DISTRIBUTING NPH  
WARRANTS, CASHING OUT CERTAIN  
OTHER NPH WARRANTS, AND MAKING  
CY PRES DISTRIBUTION IN LIEU OF  
CERTAIN OTHER NPH WARRANTS;  
(II) MODIFYING PLAN; AND  
(III) CONFIRMING MODIFIED PLAN**

1           A. On August 27, 2010, the Court entered its Confirmation Order confirming the  
 2 chapter 11 Plan for Station Casinos, Inc. and its affiliated chapter 11 debtors (collectively, the  
 3 “Debtors”) in these chapter 11 cases.<sup>1</sup> The Plan incorporates the terms of the settlement<sup>2</sup>  
 4 between the Debtors and the Official Committee of Unsecured Creditors (the “Official Creditors  
 5 Committee”) pursuant to which (a) Eligible Opco Unsecured Creditors<sup>3</sup> will receive NPH  
 6 Warrants to purchase up to 2.5% of the total equity interests in Station Holdco LLC (“Holdco”),<sup>4</sup>  
 7 (b) Eligible Opco Unsecured Creditors that are Accredited Investors and hold a certain minimum  
 8 amount of Allowed Claims may participate in the Propco Rights Offering and purchase up to  
 9 approximately 15% in the aggregate of the total equity interests in Holdco, and (c) Qualified  
 10 Eligible Opco Unsecured Creditors may participate in any Post-Effective Equity Raise. The  
 11 terms and conditions for the issuance of the NPH Warrants and NPH Investment Rights are  
 12 contained in the NPH Term Sheet that was attached as Schedule 6 to the Plan. Unless otherwise  
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15           <sup>1</sup> See “Order Confirming ‘First Amended Joint Chapter 11 Plan of Reorganization for Station Casinos,  
 16 Inc. and its Affiliated Debtors (Dated July 28, 2010)” (docket no. 2039, the “Confirmation Order”), and  
 17 related ‘Findings of Fact and Conclusions of Law Regarding Confirmation of ‘First Amended Joint  
 18 Chapter 11 Plan of Reorganization for Station Casinos, Inc. and its Affiliated Debtors (Dated July 28,  
 19 2010)’” (docket no. 2038, the “Findings and Conclusions”). The “First Amended Joint Chapter 11 Plan  
 20 of Reorganization for Station Casinos, Inc. and its Affiliated Debtors (Dated July 28, 2010)” can be found  
 at docket no. 1863 (the “Plan”), and the Plan amendments that were approved by the Confirmation Order  
 can be found in the “Debtors’ Motion for Order Under 11 U.S.C. § 1127 Approving Modifications to  
 “First Amended Joint Chapter 11 Plan of Reorganization for Station Casinos, Inc. and its Affiliated  
 Debtors (Dated July 28, 2010)” (docket no. 1997).

21           <sup>2</sup> See Debtors’ Motion for Order: (1) Approving Stipulation With Official Committee of Unsecured  
 22 Creditors; and (2) Authorizing Payment of Certain Related Fees and Expenses (docket no. 1921) (the  
 23 NPH Term Sheet is an exhibit to such motion).

24           <sup>3</sup> “Eligible Opco Unsecured Creditors” are defined in the Plan as all Holders of Allowed Claims  
 25 classified in Classes S.4, S.5 and S.6, except Holders of Class S.4 Claims that also hold Class S.2 Claims  
 and vote to accept the Plan on account of such Class S.2 Claims. Because the Plan effectuates the  
 26 subordination provisions of the Subordinated Notes Indentures, Class S.6 Claims will not receive any  
 distribution under the Plan; rather, all rights in respect of Class S.6 Claims to receive warrants or  
 27 participate in the Rights Offering will be transferred to holders of Allowed Class S.5 Claims, pro rata.

28           <sup>4</sup> Holdco is the entity that is referred to in the Confirmation Order and Findings and Conclusions as New  
 Propco Holdco or Holdco, and it will own all of the non-voting equity interests in Station Casinos, LLC.  
 Station Casinos LLC is the entity that is referred to in the Confirmation Order and the Findings and  
 Conclusions as New Propco. Pursuant to the confirmed Plan and the Confirmation Order, on the  
 Effective Date, all of the New Opco Acquired Assets and New Propco Acquired Assets will be  
 transferred to New Propco and its subsidiaries.

1 indicated, capitalized terms are used herein as used and defined in the Plan and/or the NPH Term  
 2 Sheet, as the context may require.

3       B. In connection with the hearing to confirm the Plan, the Debtors explained that the  
 4 actual documentation of, and the practical and legal mechanisms for soliciting binding  
 5 commitments to participate in the Propco Rights Offering, and for allocating and distributing the  
 6 NPH Warrants and NPH Investment Rights, would not be determined and resolved until after the  
 7 Confirmation Hearing. The Debtors, the Official Creditors Committee and the Put Parties<sup>5</sup> have  
 8 reached agreement on such Plan implementation mechanisms and the Debtors, with the support  
 9 of the Official Creditors Committee, filed their “Debtors’ Motion for Order Under 11 U.S.C. §§  
 10 1127(b) and 1142 Approving Procedures and Disclosure Documents for: (A) Soliciting Binding  
 11 Participations in Propco Rights Offering; (B) Establishing Blockercos to Hold NPH Warrants  
 12 and NPH Investment Rights; and (C) Distributing NPH Warrants, Cashing Out Certain Other  
 13 NPH Warrants, And Making *Cy Pres* Distribution In Lieu Of Certain Other NPH Warrants” (the  
 14 “Motion”).

15       C. Notice of the Motion and the hearing thereon was given to Holders of Claims in  
 16 Classes S.4 and S.5 (including the applicable Indenture Trustees) and those parties requesting  
 17 special notice; and the Motion includes copies of drafts of certain of the disclosure and  
 18 solicitation documents that Debtors intend to use in connection with the NPH Investment Rights.  
 19 Notice of the Motion and the hearing thereon was properly given and is adequate under the  
 20 circumstances of these cases. Based upon the Motion, and the submissions and arguments of  
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23       <sup>5</sup> The Put Parties are Fidelity Puritan Trust; Fidelity Puritan Fund; Fidelity Advisor Series I: Fidelity  
 24 Advisor High Income Advantage Fund; Fidelity School Street Trust: Fidelity Strategic Income Fund;  
 25 Fidelity School Street Trust: Fidelity Capital & Income Fund; Fidelity Advisor Series II: Fidelity Advisor  
 26 Strategic Income Fund; OCM Principal Opportunities Fund IV Delaware, L.P.; OCM Opportunities Fund  
 27 VIIb Delaware, L.P.; Serengeti Station Holdco Ltd.; and Serengeti Partners LP. Pursuant to the NPH  
 28 Term Sheet and the Put Parties Support Agreement, the Put Parties have agreed that Holdco can put  
 equity securities to the Put Parties through the relevant Blockercos in order to raise the agreed amount of  
 funds, and they will receive a put premium and other rights in consideration therefor. The Put Parties  
 Support Agreement is attached as Exhibit 3 to the Debtors’ Motion for Order: (1) Approving Stipulation  
 With Official Committee of Unsecured Creditors; and (2) Authorizing Payment of Certain Related Fees  
 and Expenses (docket no. 1921).

1 counsel at the hearing on the Motion, the Court has determined that good cause exists to grant  
 2 the Motion as provided herein. Accordingly, **IT IS HEREBY ORDERED AS FOLLOWS:**

3       1.     The Motion is granted in its entirety.

4       2.     The Debtors are authorized to solicit binding commitments to participate  
 5 in the NPH Rights Offering from Holders of Claims in Classes S.4 and S.5, using the Rights  
 6 Offering Disclosure Memorandum and the other materials attached to the Motion, and the Rights  
 7 Offering Disclosure Memorandum is approved as containing adequate information for the  
 8 purposes of soliciting binding commitments to participate in the NPH Rights Offering.

9       3.     The Debtors are authorized to make revisions to the Rights Offering  
 10 Disclosure Memorandum and the other materials (other than the NPH Term Sheet) attached to  
 11 the Motion prior to or during the NPH Rights Offering solicitation process, as long as such  
 12 revisions: (i) are approved by the Mortgage Lenders (as defined in the Plan), Fertitta  
 13 Entertainment LLC, the Official Creditors Committee and the Put Parties and are noticed in  
 14 subsequent filings with the Court; (ii) represent updates for the passage of time or changed  
 15 circumstances; or (iii) constitute revisions that (x) do not adversely affect the interests of Eligible  
 16 Opco Unsecured Creditors in a manner that is material, and (y) are consistent in all material  
 17 respects with the NPH Term Sheet. The Debtors are also authorized to adjust the number and  
 18 structure of the Blockercos, and make non-material revisions to the NPH Term Sheet, as long as  
 19 such adjustments and revisions are approved by the Mortgage Lenders, Fertitta Entertainment  
 20 LLC, the Official Creditors Committee and the Put Parties and are noticed in subsequent filings  
 21 with the Court.

22       4.     The Plan is hereby modified so that, on the Effective Date, all Class S.4  
 23 and S.5 Claims that are less than \$5 million in allowed amount shall receive their *pro rata* share  
 24 of four hundred and five thousand dollars (\$405,000.00) in cash instead of receiving NPH  
 25 Warrants.<sup>6</sup> In connection therewith, the Plan is hereby modified so that, on the Effective Date,  
 26 the Debtors shall make a charitable contribution to the Boys and Girls Clubs of Las Vegas in the

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27       6.     The distributions to Holders of Class S.5 Claims shall, as provided in the Plan, take into account the  
 28 entitlement of Class S.5 to all distributions that would be made to Holders of Class S.6 Claims, as  
 required by the subordination provisions of the Subordinated Notes Indenture.

1 amount of five thousand dollars (\$5,000.00) instead of distributing NPH Warrants to each of the  
 2 approximate 22,400 members of the Allowed Claim Subclass (as defined in the Lukevich class  
 3 action settlement<sup>7</sup>). Absent this Plan modification, the distribution of NPH Warrants to the  
 4 Allowed Claim Subclass would be worth approximately \$2,700 in the aggregate, and the  
 5 individual NPH Warrant issued to each of the 22,400 members of the Allowed Claim Subclass  
 6 would be worth approximately 12¢. The cost of making the distribution, however, would exceed  
 7 the amount of the distribution by a multiple of 20 or more. Therefore, the Court finds that the  
 8 \$5,000 *cy pres* charitable contribution to the Boys and Girls Clubs of Las Vegas, in lieu of  
 9 making a distribution of NPH Warrants to the members of the Allowed Claim Subclass, is  
 10 appropriate because it provides a benefit of equal or greater value to the members of the Allowed  
 11 Claim Subclass than the value, if any, associated with attempting to distribute NPH Warrants to  
 12 the members of such Allowed Claim Subclass.

13       5.     The circumstances described in the Motion warrant the modifications of  
 14 the Plan provided for herein. The Plan as modified herein shall become the Plan. The Plan as  
 15 modified herein is confirmed under Bankruptcy Code Section 1129.

16  
 17 Submitted by:

18       /s/ Fred Neufeld  
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 Thomas R. Kreller (CA SBN 161922)  
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 22  
 Reorganization Counsel for  
 23 Debtors and Debtors in Possession

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24  
 25       7 See *Lukevich, et al. v. Station Casinos, Inc., et al.*, adversary case no. 10-05044-gwz, and “Settlement  
 Agreement attached as Exhibit 1 to the “Joint Motion of Plaintiffs and Defendants for: (1) Preliminary  
 26 Approval of Class Action Settlement; (2) Approval o Class Notice; (3) Conditional Certification of Class,  
 Settlement Class, Direct Payment Subclass and Allowed Claim Subclass; and (4) Related Relief,” entered  
 27 on June 18, 2010 (docket no. 4 in adversary docket); *see also* “Order: (1)Granting Final Approval Of  
 Class Action Settlement; and (2) Authorizing Entry Of Final Judgment Of Dismissal With Prejudice As  
 28 To All Defendants,” entered on October 26, 2010 (docket no. 18).

1 and

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